

Department of the Taoiseach *Roinn an Taoisigh*



Ireland and the European Union

Identifying Priorities and Pursuing Goals





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Foreword

Membership of the European Union has been and continues to be of enormous importance and benefit to Ireland. It has enabled this country to help shape the development of Europe and to achieve levels of economic and social development which were unimaginable thirty years ago. To ensure that we continue to reap these benefits, Ireland must remain a fully engaged and committed member of the European Union. Our opting out of Europe would not divert the European Union from its course, but it would damage and limit Ireland's ability to influence the EU's future direction.

One of the clear lessons of recent times is that we in Government and all those who support our fully committed membership of the European Union, are not succeeding in effectively engaging the public on European Union related issues generally.

This publication, *Ireland and the European Union: Identifying Priorities and Pursuing Goals* is offered as just one step in the Government's efforts to better inform the public of Ireland's policy in relation to the European Union. It shows the range and breadth of Ireland's involvement in the European Union. At any given time Ireland will be involved in constant negotiations to protect and promote our interests, as well as to promote our vision of Europe's future. It is planned, therefore, to update and reissue this publication on a regular basis.

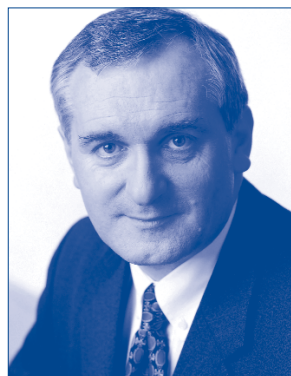
Of course, the Government has also been working to directly address the concerns expressed during the campaign on the Nice Treaty. The National Forum on Europe has been meeting since last October and has been examining the full range of issues. A system of enhanced Oireachtas scrutiny of European Union affairs is being introduced.

In addition, in the ongoing debate on the Future of Europe, Ireland will be advocating and supporting measures that will bring the EU closer to the citizen.

The Government will be seeking a Declaration at the Seville European Council confirming that Ireland's traditional policy of military neutrality is not affected by the Treaties. Subject to a suitable Declaration being agreed, it is intended to hold a second referendum on the Nice Treaty in the autumn of this year.

The forthcoming referendum will pose a critical question to the Irish people. My own view and the view of my Government is that Ireland's businesses, employees, farmers and fishermen can ill afford the diminished influence which a permanent Irish veto on Nice will inevitably bring.

It is essential, when making the choice, that the people consider Ireland's relationship with the EU in its totality. This publication will, I hope, go some way in helping them to do so.



A handwritten signature in blue ink that reads "Bertie Ahern".

Bertie Ahern
Taoiseach
April 2002



Summary

Ireland And The European Union

Identifying Priorities and Pursuing Goals

Overriding Priority

Enlargement is the single most important challenge currently facing the European Union. The Government would be deeply concerned about any perception among current and future EU partners that Ireland was blocking or delaying enlargement. As a result it will be seeking a Declaration at the Seville European Council confirming that Ireland's traditional policy of military neutrality is not affected by the Treaties. Subject to a suitable Declaration being agreed, it is intended to hold a second referendum on the Nice Treaty in the autumn.

Overall Key Objectives

Ireland's overall objective in the EU is to help achieve Ireland's and the EU's aims of protecting the rights and interests of our citizens, maintaining freedom, security and justice, promoting prosperity, jobs and sustainable development and acting more effectively internationally to promote peace, security and development.

Ireland needs to engage fully in the many, varied and complex decision making processes of the EU

- by cultivating ever better relations with our partners in the EU, the accession countries and the institutions of the EU;
- by developing better domestic systems for enhanced coordination, coherence and priority setting internally, and
- by promoting greater public awareness of the importance of the EU to individuals' lives.

Ireland's concerns have been and are addressed in the EU context. Many of our concerns are shared

by other member States. Where we have individual concerns these may not, by their nature, be of central importance to our partners. Due to our size and geographic location there is an added onus on us, therefore, to be vigilant and agile in order to protect our interests.

Other Key Objectives

In the **Enlargement** negotiations we strongly favour the objective of enlargement as an economic and political opportunity for Ireland. Clearly, however, core national interests, especially in the area of agriculture, will have to be protected.

In the debate in the Convention on the **Future of Europe** we start from a view that the balances within and between the Union's institutions have worked well. Pragmatic reform is certainly possible and desirable, above all to make the Union closer to the people. Detailed positions will be elaborated as the process moves forward.

We will strongly support the implementation of the **Lisbon Agenda** in seeking to ensure that the EU becomes the most competitive and dynamic knowledge based economy in the world capable of sustainable economic growth with more and better jobs, greater social cohesion and a high standard of environmental protection.

For the **EU Budget** we will seek to ensure fair burden sharing, that a realistic cohesion policy is pursued in an enlarged Union and that we realise maximum national advantage in the CAP negotiations.

In the **State Aid** area we will support fair and even application by the Commission of the rules on State Aid in support of the Single Market and we

will also continue to provide aid to meet particular policy objectives.

Ireland's 2004 **Presidency** of the EU gives the country a major opportunity to raise its profile within the EU. Already, a daunting agenda is in prospect with issues such as Enlargement, the IGC on the Future of Europe, the Lisbon Agenda, Agriculture, the WTO talks, Climate Change and managing the Union's Common Foreign and Security Policy likely to be among the major priorities of the Presidency. It is essential that policy and logistical preparation for the Presidency be given the highest priority in the coming year.

In sectoral areas, many of which are becoming increasingly cross-cutting, Ireland's key objectives are as follows:

Culture: We will work with our partners to preserve the richness of European cultural diversity, especially language diversity.

Economic and Monetary Union: Our objective is to continue to participate successfully in maintaining a strong and stable currency and to assist in optimising the benefits of the single currency.

Single Financial Market: Our objective will be to ensure the creation of a real single market in financial services thus strengthening Ireland's financial services industry.

Taxation: Ireland will support measures to address harmful competition while continuing to retain the national autonomy of member States in taxation policy.

Justice and Home Affairs: Our objective is to support the creation of an area of freedom, security and justice along the lines that have

been agreed at EU level. In particular we will seek to ensure that everything that can be done will be done to protect citizens from the scourges of international terrorism, drugs and organised crime and, at the same time, protect fundamental human rights in a democratic society. Ireland will constructively engage with its partners in addressing the challenges facing the EU in the areas of immigration, asylum and combating racism and xenophobia.

Trade: We will support the EU objective of achieving further liberalisation and seek to ensure that the EU maintains policies which complement domestic priorities. We will also seek to ensure that the major concerns of developing countries are taken into account.

Agriculture: We will seek to maintain an effective CAP which contributes to a viable agricultural sector and viable rural communities.

Fisheries: We support reform of the Common Fisheries Policy. Our objective is to influence the overall direction of those reforms while continuing to press for more equitable access to fisheries resources.

Environment: We will strongly support the implementation of sustainable development policies in the EU.

Foreign and Security Policy: We will continue to support effective EU policies on regional and global issues and contribute to the development of the European Security and Defence Policy consistent with Ireland's policy of military neutrality. The key objective throughout will be to promote international peace, security and development.



Part I

Introduction and Overall Strategic Approach

Ireland's prosperity and social progress is vitally dependant on the following factors:

- a peaceful and secure external environment;
- consistent and appropriate domestic policies based on social consensus, and
- a well regulated and open trading system.

The European Union, within which Ireland has participated fully, has provided an essential framework on which our prosperity has been built.

The European Union is a success story. It has created a framework for peace and prosperity for the people of Europe. Last December the Laeken Declaration challenged the member States to bring the European Union closer to the citizen. This has to be a continuous and sustained process.

This paper identifies the priorities and goals we are pursuing in the EU. It **demonstrates the range and complexity of our engagement with the EU and the challenges and opportunities that lie ahead. The key factors outlined above form the benchmarks against which the objectives set out in this paper have been developed.**

Ireland is engaged in all aspects of European Union policy: helping to shape it and, in turn, being influenced by it. This paper shows how EU policy affects virtually all aspects of people's lives and how it complements national objectives and aspirations. In doing so it aims to make Ireland's objectives across the range of EU policy more comprehensible to Ireland's citizens.

Background

The European Union's key objective is to create "an ever closer union of the peoples of Europe". The Union has grown from its original six members to fifteen now. Soon it will have twenty-five or more members.

Over the past half century the Union has evolved from being a Community occupied mainly with economic issues. It is now concerned with many aspects of the well-being of its own citizens from standards of health and safety in the workplace to measures to address global warming.

The Union is also involved in promoting international peace and security and the values common to the member States of the Union such as human rights, the rule of law, peace and development cooperation.

Thirty years ago this year the Irish people decided by an overwhelming majority that Ireland should join the European Union (then the EEC). The underlying assumption then was that Ireland could best pursue its economic and social development and best protect and promote its living standards within the EU. It was also felt that membership would enable us to participate fully with other democratic and like-minded countries in creating a Europe based on the ideals and objectives to which Ireland could readily subscribe.

The underlying assumptions on which we based our membership are as valid now as they were thirty years ago. We have helped to shape the agenda of the Union. This agenda promotes and protects our interests and our aspirations.

Europe is Moving Forward

Europe is moving forward and it is important that Ireland move forward with it. On 1 January, 2002 the euro notes and coins were introduced. The Convention on the Future of Europe has commenced its work. At the Barcelona European Council in March, EU leaders re-committed themselves to the goal of making the EU the most competitive economy in the world by 2010. In the meantime, the enlargement negotiations are proceeding and the expectation is that the negotiations will be completed at the end of 2002 and ten new members will be ready to join in 2004.

It is the view of all member States, and the applicant states, that ratification of the Treaty of Nice is necessary to enable the EU to enlarge its membership. That is why the Government is seeking to address the concerns which led to the rejection of the Treaty in the referendum of June of last year.

Priorities and Goals

Ireland's engagement with the EU is extremely complex and now spans a very wide array of issues. **It is important that we have a clear sense of what our priorities are and what goals we should be pursuing.** It is also important that our citizens should have a clear sense of these priorities and goals and how relevant so many of these are to their everyday lives. This paper identifies such priorities and goals and helps to generate a clear sense of the range of issues involved. It is self-evident that we must be at the table with our partners in advancing these policies and ensuring that Ireland's interests are protected and advanced in every way possible.

Overriding Priority

Enlargement is the single most important challenge currently facing the European Union. It is seen as a historical and moral imperative, as well as greatly enhancing the Union's economic and political weight.

The strength and breadth of support among Irish people for enlargement is demonstrated in views expressed to the National Forum on Europe as well as in the consistent findings of opinion polls.

The Treaty of Nice is the necessary enabling measure for enlargement. **The Government would be deeply concerned about any perception among current and future EU partners that Ireland was blocking or delaying enlargement.** Such a perception would be bound to have repercussions for our standing in the EU and our relations with the applicant states.

While changes in the Treaty of Nice are not possible, our EU partners – at the Gothenburg European Council and, most recently, at the Barcelona European Council – have expressed a willingness to help us in any way they can. **We will be seeking a Declaration at the Seville European Council confirming that Ireland's traditional policy of military neutrality is not affected by the Treaties. Subject to a suitable Declaration being agreed, it is intended to hold a second referendum on the Nice Treaty in the autumn.**

Overall Key Objectives

Ireland's overall objective in the EU is to help to achieve Ireland's and the EU's aims of :

- protecting the rights and interests of our citizens;
- maintaining freedom, security and justice;
- promoting prosperity, jobs and sustainable development, and
- acting more effectively internationally to promote peace, security and development.

Ongoing Agenda

From Ireland's perspective the principal items on the EU's current agenda are:

- the enlargement process including the ratification of the Treaty of Nice and finalisation of the negotiations with the applicants;
- the Future of Europe Convention;
- the implementation of the expanded Lisbon Agenda with the aim of making the EU capable of sustainable economic growth and greater social cohesion;
- the creation of an area of freedom, justice and security;
- the mid-term review of the agricultural aspects of Agenda 2000;
- review of the Common Fisheries policy;
- European security and defence policy, and
- participation in the new round of international trade talks in the WTO.

Ireland is also fully engaged in preparations for the Presidency of the EU in the first half of 2004.

It remains a core priority of the Government to bridge the gap between the Union and its citizens, to make the Union more comprehensible, more accessible and more responsive to their concerns. The National Forum on Europe and the Future of Europe Convention are particularly important in this regard.

A more Complex and Integrated Agenda

Any picture of our EU policy must take into account the **increasingly complex and cross-cutting nature of EU business. This complexity requires wider and deeper co-operation among member States and with the EU institutions.**

For example, the Lisbon Agenda, with the aim of making the EU the most competitive economy in the world by 2010, involves an integrated approach to policy development which has economic, social and environmental dimensions. It also requires political will to drive the agenda forward and meet the targets the EU has set for itself.

Some of the new complexity in EU affairs arises from the increasing use of the "open method of coordination", of which the Lisbon Agenda is an example. This method of coordination involves a mix of European Union and national actions on broad common objectives.

A further example of the growing depth and complexity of EU business is the creation of an area of freedom, security and justice, which covers the full range of decision making structures of the European Union, and involves many Government Departments in Ireland. These cross-cutting policy

areas have implications for co-ordination processes and underline the need to ensure coherence of policy across the administrative and political system in a joined-up way. This will be particularly the case in an enlarged Union.

Partnerships

Ireland's concerns have been and are continually addressed in the EU context. Many of our concerns are shared by other member States. Where we have individual concerns these may not, by their nature, be of central importance to our partners

Due to our small size and geographic location there is an added onus on us to be vigilant and agile in order to protect and maximise our interests. Our location and size requires us to work harder than most to ensure positive outcomes.

We must, therefore, continue to use the limited resources we have to maximum effect. To do this requires excellent coordination mechanisms, strategic prioritisation and the ability to know what we want from the EU and what we can contribute.

It is of fundamental importance for a small member State like Ireland that **we maintain the best possible relations with our partners in the EU and with the accession countries.** There is, therefore, an obvious and continuing need to cultivate and nurture relations with partners and accession countries. Equally, we seek to maintain an open and positive relationship with the key institutions.

The need for quality relationships across the entire spectrum takes on added importance in the

context of the upcoming enlargement of the Union, and in the preparation for our Presidency of the European Union in two years time. Our Presidency preparation period is likely to mark the beginning of a significantly more complex set of relations in the European Union. Not least of those will be the possibility of accession countries participating in Union business as observers from 2003 and as members from 2004.



Part II

Cross-Cutting Priority Areas

Many of the issues on the European Union's agenda are of a cross-cutting nature in that they involve a number of sectoral areas.

Enlargement

The Laeken European Council Conclusions in December, 2001, named ten countries which could finish negotiations at the end of this year. The Conclusions also stressed that the candidate countries are negotiating their accession on the basis of the present body of European law and the financial framework up to 2006.

Ireland strongly favours enlargement and will continue to play a constructive role in the enlargement process. A successful conclusion to the process this year is a high priority.

Enlargement is already contributing to further stability in Europe and will continue to do so. An enlarged EU should be able to play a more positive and influential role internationally both politically and economically. An enlarged EU can also be more effective in its relations with partner countries such as Russia. Ireland will also continue to develop its bilateral relations with the accession countries and seek to develop alliances with them.

Enlargement is an economic and political opportunity for Ireland. Nationally, the expansion of the Single Market will be in the interest of Irish exporters and of inward industrial investors in Ireland. Already Irish companies have begun investing in the candidate countries with significantly more than €1 billion invested by Irish companies in Poland alone.

Ireland welcomes the Commission's proposals in relation to the costs of enlargement. In particular

it strongly supports the maintenance of a single Common Agricultural Policy. **Ireland will strongly oppose any effort to make enlargement conditional on the further reform of the CAP or on premature commitments in relation to the negotiations on the next financial framework which will commence in 2007.**

Future of Europe

The European Council agreed at Nice in December 2000 to institute a broad debate about the future direction of the Union, with the overall theme of bringing the Union closer to the citizen. It was agreed that, at the end of the process of debate, an Inter-Governmental Conference would be convened in 2004.

The Laeken European Council in December, 2001, established a Convention to take the process forward. It comprises representatives of the member State Governments, national parliaments, the European Parliament, the Commission and the candidate countries. The Convention started work on 28 February 2002 and it is intended that its work will be completed in about a year, and no later than the June 2003 European Council.

In common with many other member States, Ireland has emphasised that **the role of the Convention ought to be primarily to define options for further consideration by the IGC, which will be solely responsible for agreeing on any Treaty changes.**

Our approach to the Convention will start from a view that, on the whole, the balances within and between the institutions of the Union have worked well, and do not require radical change, but that

pragmatic reform is certainly possible and desirable, above all to make the Union more transparent and intelligible. The Convention has the opportunity to show that the purpose of the Union is to serve the welfare of its people. In particular, the Convention has the opportunity to bring the EU closer to the citizen.

The Government will keep the Oireachtas and the National Forum on Europe informed of developments at the Convention and will table position papers, as appropriate, in the course of the negotiations.

A Vibrant European Economy: The Lisbon Agenda

The Lisbon European Council in 2000 adopted the strategic goal of making Europe by 2010 the “most competitive and dynamic knowledge based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion”. This goal is known as the Lisbon Agenda.

The European Council recognised that attaining this goal would require a holistic and integrated strategy. This strategy would require an appropriate macroeconomic policy mix complemented by structural reform policies. The focus would be on strengthening and deepening the internal market, preparing the transition to a knowledge-based economy and society and promoting investment in research and innovation. At the same time it was agreed that there was a need to **promote entrepreneurship and support for small to medium size business, to modernise labour markets, to invest in people, to modernise social protection and to combat social exclusion.**

The Gothenburg European Council in 2001 adopted a sustainable development strategy which

seeks to ensure that economic, social and environmental dimensions are fully taken into account and assessed in the development and implementation of all European Union policies.

For Ireland the overall objective is to keep up the pace of, and focus on, increasing competitiveness, innovation and technological development as set out in the Lisbon Agenda. At the same time, the Barcelona European Council in March 2002 underlined that economic, social and environmental concerns of the Lisbon Agenda must receive equal attention in policy making and decision taking processes. **The key aim therefore is a cohesive and dynamic economy which delivers prosperity and fairness.**

EU Budget

Ireland will remain a substantial net beneficiary from the European Union under the Budget for the period 2000-2006. Due to our increased prosperity, Ireland is likely to become a net contributor to the European Union towards the end of this decade. This change to being a net contributor is not caused by enlargement – it simply reflects our economic success and would have happened in any case, irrespective of enlargement.

The strategic implications are that in future negotiations on the EU Budget, including those that arise in the context of enlargement, Ireland will:

- seek to ensure that the method of financing the EU Budget reflects a fair burden sharing among member States, and
- seek to keep overall expenditure contained to a level that will minimise as far as possible our

net contribution, is consistent with our national objectives as regards the CAP and permits Structural Funds/Cohesion Fund spending that will implement a well targeted cohesion policy in an enlarged Union.

State Aid

Ireland will continue the policy of all Irish Governments on State Aid since EU accession. Ireland will therefore:

- **support strong and fair application by the Commission of the rules on State aid.** This will ensure that the benefits of competition in the Single Market are preserved. It will also ensure that the effects of approved aid schemes are concentrated in the regions and on the factors where development is sought. Most importantly it will ensure that harmful “counterbidding” among member States in relation to new investment projects is minimised, and
- **pursue an active policy of paying State aid under approved industrial development schemes** in categories such as Regional, Training and R&D aid, in order to develop industrial output and employment and boost economic growth and living standards for all. This approach is most notably reflected in the supports paid to industry by agencies such as the IDA and Enterprise Ireland.

A Successful Irish Presidency

Ireland’s Presidencies of the European Union to date have been professional, business-like and efficient. Ireland has pursued the EU’s agenda even-handedly and fairly. The positive impact of this approach resonates through the EU system and it underlines the commitment of Ireland to the EU. It demonstrates also the ability of a small country to preside effectively over EU business.

While it is not possible to predict all the issues likely to be on the EU’s agenda in 2004, **the following issues are likely to be significant during the Irish Presidency:**

- *Enlargement*
- *The Intergovernmental Conference on foot of the Future of Europe debate*
- *The Lisbon Agenda*
- *Agriculture*
- *The World Trade Organisation Talks*
- *Climate Change*
- *Common Foreign and Security Policy*



Part III

Sectoral Priorities

While many of the following issues have been traditionally seen as sectoral, they increasingly have cross-cutting dimensions at both the European and national levels. Many of these sectoral issues form an integral part of the Lisbon Agenda.

Culture

The preservation of the richness of European cultural diversity in all its forms, including especially the diversity of language, is an essential element of the European project. The European Union has taken measures:

- to improve the **knowledge and dissemination of the culture and history of European peoples;**
- to **conserve and safeguard cultural heritage** of European significance;
- to support **non-commercial cultural exchanges;**
- to **advance artistic and literary creation,** including in the audiovisual sector, and
- to **advance cultural cooperation** with third countries and international organisations, especially the Council of Europe.

Ireland is actively supporting the development of further initiatives in this area, including a programme to follow on from the five year Culture 2000 programme.

Economic and Monetary Union (EMU)

The introduction of euro notes and coins in January 2002 across the 12 EMU member States was a hugely significant and symbolic event. It is in our overall national interest that the euro is a stable and strong currency.

The main instruments through which greater economic policy coordination is achieved are the Broad Economic Policy Guidelines (BEPGs) and the Stability and Growth Pact. The BEPGs are intended to define the main objectives and policy orientations for European economic policy over a twelve month period. **A key priority for Ireland is to continue to contribute effectively to the development of an appropriate economic policy focussed on increasing competitiveness, sustainable growth and employment and hence living standards for Europe's citizens.** Continuing to ensure an open exchange of views and a balance of treatment between member States involved in the economic policy coordination process will also be important.

The Cardiff Process provides for an annual review of national economic reform policies to be conducted. The results are then included in the broad economic policy guidelines. The Cardiff Process is useful in promoting increased product, capital and labour market flexibility across the EU. It would be in the interests of all member States if the process could be streamlined and more added value obtained from it.

The Stability and Growth Pact (SGP) requires member States of the Eurozone to commit themselves to aim for a medium term budgetary position of close to balance or in surplus. There is a move at EU level towards focussing on the quality and sustainability of public finances. Quality and sustainability issues include the fiscal stance of member States budgetary policies – are they pro or counter cyclical, whether tax and benefit systems are employment friendly, whether expenditure policies are geared towards current expenditure at the expense of investment and whether member

States are suitably prepared for the potential financial implications of population ageing.

It will be important for the Eurogroup to develop more consistent and transparent procedures for handling issues while not losing its informal character. The status of Ecofin as the decision making body should be maintained.

Single Financial Market

The Financial Services Action Plan (FSAP) agreed in 1999, sets out a series of policy objectives and specific measures to improve the Single Market in financial services in the five years to end-2005.

These are:

- creating a Single Market for financial services;
- open and secure retail markets, and
- state of the art prudential rules and supervision including appropriate levels of protection for consumers of cross-border financial services.

The plan contains 42 actions in all, involving the adoption of Directives, the issuing of Green Papers, Commission Communications etc. **A key national objective will be to ensure that the development of Ireland's financial services industry is strengthened by this process. Another key objective will be to benefit consumers by providing greater choice and competition, as well as appropriate levels of protection.**

Taxation

While taxation is an important area of national policy, **at EU level cooperation on taxation matters can facilitate economic development in**

improving the operation of existing common taxation systems such as VAT and in dismantling barriers in the marketplace. Taxation decisions require unanimity in the EU and this is a position Ireland will continue to uphold.

Policy proposals currently arising at EU level include improvements in the operation of the VAT system such as the recent agreement on eCommerce, amendments to the taxation of energy products, removing taxation barriers to pension mobility, developing common approaches on tax issues affecting the transnational operation of companies, cooperative approaches to eliminating harmful tax competition and exchanging information that assists individual member States in tackling tax evasion.

In the discussion of such proposals it will continue to be necessary for Ireland to consider carefully where the balance of advantage lies with a view to ensuring that common approaches that enhance economic opportunities are progressed without compromising the autonomy of individual member States to implement the taxation policies they consider appropriate to their economic and social objectives.

Justice and Home Affairs

The objective of creating an area of freedom, security and justice, together with the response to the September 11, 2001, attacks on the US, have created one of the most ambitious and high profile EU integration projects. In that context agreement has been reached recently on a European Arrest Warrant which will replace current extradition arrangements within the EU. Agreement has also been reached on a common definition of a

terrorist act and a list of terrorist offences. Legislation to give effect to these measures will be introduced shortly.

Further measures adopted by the EU on combating terrorism provide for the freezing of financial assets and other economic resources and the prevention of money laundering.

Ireland's policy is to ensure that everything that can be done will be done to protect citizens from the scourge of international terrorism and crime. At the same time fundamental human rights in a democratic society must be protected.

The Justice and Home Affairs (JHA) area is concerned with the negotiation of legal instruments and it is particularly sensitive and complex. Different rules govern the different types of legal instruments negotiated. Where it is an issue of Community competence, the European Commission takes the lead. For European Security and Defence Policy issues (e.g. terrorism) the Council takes the lead. For Justice pillar issues the Council or the Commission can take the lead. To add to the complexity Ireland does not take a full part in immigration and asylum matters. In addition, while our application to participate in elements of the Schengen arrangements was agreed recently, we do not take a full part in it. Furthermore, our common law system is fundamentally different to all other partners, except the UK.

Ireland's strategic approach will be based on a commitment to:

- **achieve an area of freedom, security and justice** by taking part in the Schengen provisions on tackling serious crime;

- take part in Title IV measures (**immigration, asylum and civil judicial cooperation**) to the maximum extent compatible with the maintenance of the Common Travel Area with the UK, and
- support the agreed work programme for JHA up to and including the Irish Presidency.

The highest priority will be given to:

- developing a coherent national response to major topical issues including the EU Drugs Strategy;
- the development of EUROPOL;
- the development of EUROJUST to support the investigation and prosecution of serious trans national crime;
- developing the EU role in civilian crisis management, and
- analysing the implications of initiatives in the areas of immigration, asylum and combating racism and xenophobia.

Ireland will seek to ensure effective coordination of Justice and Home Affairs policies across the various Council formations of the European Union and with other international bodies such as the United Nations and the Council of Europe.

Internal Market

As a small open economy with over 60% of exports going to other EU States, it is in Ireland's interest to ensure the application of Single Market rules. Clearly, if these very cornerstones, on which the internal market is built, are weak, then citizens and business will never reap the full

benefits from the Single Market. To give true national effect to the Single Market Ireland will ensure that single market legislation is transposed into national law and in this regard will work to reach the 100% transposition target in 2003.

Ireland also welcomes the new focus on services. Employment in services has accounted for the bulk of new job creation in all member States for the last 20-30 years. In recognition of the important economic role of services, the competitiveness of this sector should be underpinned by appropriate community actions.

Competition

EU Competition Policy is central to the safeguarding and development of the Single Market and contributes to EU competitiveness generally. Proposals by the Commission for a major re-casting of existing competition regulations are currently under consideration by the Council. They raise important policy issues for all member States, including Ireland. Three changes proposed are:

- the abolition of the existing prior notification system by firms for exemption from the basic prohibition of anti-competitive agreements. This will reduce bureaucracy and make firms themselves responsible for compliance with competition rules;
- bringing national authorities – in our case the Competition Authority and the Courts – more directly into the European Union’s work in this area, with national authorities empowered to apply the Treaty articles using their own national procedures and remedies, and
- making cross-border transactions subject solely to Community competition law rather than to two sets of law, national and Community, as at present.

Ireland supports the general thrust of the Commission’s proposals. We, together with other partners, will be working to ensure that the exclusion of national law when Community law applies does not result in some transactions escaping scrutiny under both laws.

Building a Knowledge Economy

Ireland’s own Knowledge Economy Strategy is very much in line with the approach across the European Union. The development of a “European Knowledge Area” in which education and training will play a key role is particularly welcome.

Ireland will support policies which:

- provide a framework to encourage **the growth and conduct of eBusiness through competition**, where possible, and by regulation only where necessary;
- promote **the use of Information and Communication Technologies (ICTs) to increase the efficiency, effectiveness and the competitiveness of Irish business**;
- ensure as far as possible that the **telecommunications infrastructure needed by industry – and especially SMEs – is in place** when and where required nationwide at a competitive access speed and price;
- provide a single reference point for all business requirements of Government, as part of **the development of eGovernment**, and

- promote the accessibility of ICTs to ensure the **inclusion of all citizens in the information society.**

Work on these fronts will take place in the context of the forthcoming Information Society Action Plan, work under North/South Partnership and the implementation of the eEurope Action Plan. Ireland will support policies which foster the development of ICT skills through education and training at all levels.

Strong protection of intellectual property is required for the continued health of Ireland's industrial and information economy. Ireland will continue to play a positive role in the development of national, EU and international law for the protection of intellectual property. In particular, **Ireland fully supports the establishment of a Community Patent.** We, together with our EU partners, will promote strong but balanced protection for intellectual property rights at Community and global levels.

Through advances in research and development, including in the field of frontier technologies, our third level institutions can make a real contribution to progress in achieving the "European Knowledge Area".

Research and Development

The sixth European Framework Programme on Research and Development will commence in 2003. Negotiations on the structure and content of the new Programme are ongoing. **Ireland will seek to ensure that sustainable development is a major feature of the Programme** with particular emphasis on climate change, European marine

resources, agriculture, transport and renewable energy. **Ireland will also seek to ensure that research instruments do not operate to the detriment of researchers in the smaller member States and that Small to Medium sized Enterprises should not find it difficult to become involved in the Framework Programme activities.** A significantly higher level of participation by Irish researchers and a substantial increase in Ireland's share of Research and Development funding in the coming years will be a priority.

Employment

Ireland supports the EU's Employment Strategy. The current strategy concludes in 2002 and a process of political debate and evaluation has begun with a view to devising a new medium term strategy.

Ireland will aim for a new EU Employment Strategy which:

- **creates the conditions for full employment and achieves the target of an overall employment rate of 70% by 2010 and a rate of 60% for women;**
- **improves access to and uptake of education and training opportunities and the upskilling of workers, in the context of lifelong learning;**
- **increases the reward for work, training and worker-friendly practices;**
- **applies the strategy of intervening with persons, before they become long-term unemployed, providing them with a job, training or other support, and**
- **simplifies the process for implementing the**

Strategy, based on a limited number of key objectives.

Equal Opportunities

Complementing national policy, **Ireland will support measures** at European Union level in favour of:

- **gender mainstreaming;**
- addressing the 2005 and 2010 targets for **increased participation of women and older people in the labour force;**
- **equal opportunities** and measures to promote the increased participation of **people with disabilities** in society including the 2003 European Year of People with disabilities, and
- the development of indicators on the provision of **care facilities for children and other dependents.**

Education

Education is and will remain a **national area of responsibility**. At the same time **education, training and lifelong learning are increasingly acknowledged as crucial for the future of Europe**. The European Union can play a role in encouraging best practice and agreeing benchmarks for progress with the member States. The member States have agreed that they will cooperate to increase the quality, effectiveness, access and openness of education and training systems. This will be done by improving the quality of training for teachers and trainers, developing skills for the knowledge society, developing basic skills, ensuring access to ICTs

for everyone, increasing recruitment to scientific and technical studies and supporting active citizenship, equal opportunities and social cohesion. The focus on lifelong learning in particular dovetails well with Ireland's White Paper on Adult Education Learning for Life and the Programme for Prosperity and Fairness.

Social Protection

Again, responsibility for this policy remains with the member States. At the same time, all **member States face common challenges in the field of social protection**. Cooperation among the member States can help develop policies designed to meet these challenges. The first National Action Plans on social inclusion have been completed and national pensions strategy reports are now being prepared. Work is scheduled to begin shortly on examining the issue of "making work pay".

Health Care

As with education and social protection, health care is and will remain a matter for the member States. **Member States have agreed to cooperate in public health programmes oriented towards disease prevention, health information and combating health threats and in areas such as the European Food Authority, the control of infectious diseases and population ageing**. The Barcelona European Council in March 2002 endorsed a report on cooperation in the field of health care and care of the elderly and work will begin in 2002 on the identification of areas for exchange of best practice and information.

Trade

Ireland is supportive of the EU approach to world trade and EU membership has enabled Ireland to shape this approach. The economic benefits that can arise from a well-regulated multilateral trading environment and from further liberalisation in trade in goods and services is of particular importance to a small open economy like ours. We will encourage the EU to display more openness to the wishes of the developing countries, both in terms of market access and in support for the development of their economies.

The EU's negotiating mandate for the World Trade Organisation (WTO) agriculture negotiations has the objective of achieving further liberalisation of agricultural trade but, at the same time, seeks to allow the European Union, and other WTO member countries, to maintain policies which respect and fulfil domestic priorities.

The EU will seek to ensure that the multi-functional role of European agriculture, involving food safety, environmental protection, rural development and animal welfare is recognised and protected. With regard to food safety, one of the objectives of the EU is to ensure that the WTO will not be used to force onto the EU market products about whose safety there are legitimate concerns. The EU will also be attempting to ensure that equal conditions of competition apply between the EU and other WTO members through the recognition by them of the EU's high standards in relation to food safety, the environment and animal welfare.

Agriculture

Over the next few years, there will be three developments which will impact on the Common Agricultural Policy (CAP): the mid-term review of Agenda 2000, the enlargement negotiations and the WTO negotiations.

-the mid-term review of Agenda 2000

The Agenda 2000 Agreement provided for a number of reviews: (a) a review of the Agricultural Guideline i.e. the legal limit on the volume of agricultural expenditure (b) a decision on whether to reduce guaranteed prices and increase direct payments for cereals (c) a review of the oilseeds market (d) a review of the milk quota regime and (e) a review of expenditure to ensure that it does not exceed an annual average amount of €40.5 billion in 1999 prices. There may be reviews of other products as well, e.g. beef, in the light of developments in the markets.

The EU Agricultural Commissioner has publicly expressed the view that all of these reviews should be taken together. It is expected that the Commission will present this single mid-term review in June 2002.

Some member States have stated recently that they believe that the mid-term review should result in a significant reform, in particular in relation to the direct payments system. Options which have been mentioned in this regard include decoupling (a switch from payment per eligible animal or per area of eligible crop produced to a payment per area of utilised agricultural land, irrespective of the product of the land), degressivity (a reduction in direct payments by an annually increasing percentage) and compulsory modulation (a

reduction in direct payments, with the amount involved transferred to rural development, including environmental measures). Modulation already exists as an option for member States.

-enlargement

The negotiations on enlargement, including the agricultural aspects, are targeted to conclude by end-2002. The Commission has recently published its paper on the more significant agricultural issues – direct payments and national production and premium quotas.

In the case of direct payments, the Commission has proposed their extension to the new member States over a period of ten years, starting in the first year with 25% of the level of direct payments in the existing member States. The Commission also proposes an option for member States which may not be in a position initially to implement the direct payments system whereby direct payments by area of land could be made for the initial three, or possibly five, years. To compensate for the reduced direct payments over the ten-year transition period, additional funding for structural measures is proposed. The cost of the proposals can be met within the EU budgetary limits set by the European Council in Berlin in March 1999.

In relation to production quotas and premium quotas, the Commission has proposed basing these on the most recent reference periods for which data are available.

The Commission will prepare draft common positions in the light of the member States' views on these proposals. These draft common positions will, when agreed by the member States, form the basis for negotiations with the candidate countries.

-WTO

The Ministerial Conference of the WTO in Doha in November 2001 agreed a framework for the launch of a new round of multilateral trade negotiations. These negotiations will subsume the negotiations on agriculture which had started in March 2000 under an earlier WTO mandate. The negotiations are due to conclude by the beginning of 2005.

The Ministerial Declaration commits WTO members, without prejudging the outcome, to:

“comprehensive negotiations aimed at: improvements in market access; reduction of, with a view to phasing out, all forms of export subsidies; and substantial reductions in trade-distorting domestic support”.

The Declaration also confirmed that non-trade concerns will be taken into account and that “special and differential treatment for developing countries shall be an integral part of all elements of the negotiations”.

Ireland’s overriding approach in all of these negotiations will be to seek to maintain an effective Common Agricultural Policy which contributes to a viable agricultural sector and viable rural communities.

Fisheries

The key strategic challenge for Ireland and the EU is the review of the Common Fisheries Policy 2002 which will critically set the future direction for EU fisheries policy over the medium to longer term. The substantive negotiations should be completed in the second half of 2002.

The stark problems facing EU fisheries and wider EU and global developments point to the need for fundamental strategic reform of the Common Fisheries Policy (CFP). Almost 20 years after its inception, the CFP is faced with major challenges in conservation, economic and political terms. The rapid decline of fish stocks and overcapacity in the EU fishing fleet are the key conservation challenges. The economics of the sector are worrying in a scenario of high costs, labour difficulties and a shrinking resource base.

Politically the challenges are to secure involvement of stakeholders in the decision-making process, better governance in the fullest sense and a level playing field in compliance and enforcement. The integration of environmental, biodiversity, sustainability and food safety policy considerations into the CFP is a key recognised priority.

The Commission's Green Paper points to the need for, inter alia, enhanced conservation strategies, significantly reduced fishing effort and fleet capacity, greater involvement of stakeholders, a strengthened, harmonised and transparent fisheries control and an external fisheries policy grounded in sustainability.

Ireland's position has been to welcome the focus on sustainable development and a level playing field in enforcement, as well as the recognition of the need for integration with EU environmental and other strategies. In addition Ireland has highlighted the need to fully address the social and economic aspects of sustainable fisheries development and has pressed for initiatives to safeguard coastal zones and inshore resources. Ireland has also reiterated the longstanding position that resource allocation has been

historically inequitable towards Ireland and has called for this to be reviewed in terms of future resource allocation. The Commission's approach to fleet over capacity (which is to seek major cuts across the board in fishing fleets) has been criticised by Ireland and a number of members States as one-dimensional. Ireland is also seeking a comprehensive approach by the Commission in tackling the governance challenge.

Environment

The EU has in place an impressive body of environment legislation and Ireland is fully committed to its implementation.

The European Union is seeking to maintain a leadership role in the international arena in promoting global sustainable development. The EU is also placing a high emphasis on preparations for the World Summit on Sustainable Development in Johannesburg in 2002. Climate change is the major challenge for the 21st Century. There is now sufficient agreement for the Kyoto Protocol to enter into force by 2002.

Substantial measures will be required at EU and national levels to lower emission of greenhouse gases. Those planned at EU level are contained in the European Climate Change Programme and in a proposed new Directive on Emissions Trading, planned to begin on a pilot basis for CO₂ emissions by 2005. The Commission has proposed:

- the adoption of an energy products tax;
- the phasing out of subsidies of fossil fuel production and consumption by 2010;
- promoting alternative fuels, and

- improving infrastructure use and charging.

The EU's Sustainable Development Strategy consists of cross-cutting proposals to ensure coherent and cost effective policy making and to promote technological innovation and strong involvement of civil society and business in policy formulation. In the context of all policies having sustainable development as their core objective, the sustainable development strategy has particular relevance to the mid-term review of the agricultural aspects of Agenda 2000, for the Common Fisheries Policy, the Common Transport Policy, and Energy, Internal Market, Cohesion and Research Policies. Sectoral Council formations have been preparing their own strategies for integrating environmental considerations into their core business.

Biodiversity must be better protected and pressure on natural habitats reduced. Proposals to break the links between economic growth, the use of resources and the generation of waste will focus in particular on means of achieving more sustainable production and consumption patterns (including eco-efficiency measures, green public procurement, integrated product policy, use of market-based and economic instruments to internalise environmental costs, eco-labelling, information and awareness raising).

Community action on the environment over the next ten years will be determined by the Sixth Environmental Action Programme (6EAP). This reflects the priority the Community attaches to climate policy and implementation, and provides a context in which other substantial initiatives will be taken forward, e.g. in relation to management of chemicals and pesticides, and the development

of an environmental liability regime. Additional measures will cover soil protection, marine environment, pesticides, air quality, sustainable resource use, the urban environment and waste recycling.

Ireland supports the Community's progressive position on sustainable development, recognising both its global dimensions and its national relevance in that high economic growth here in recent years has brought increased environmental pressures. Participation in Europe-wide climate action, in addition to national measures, will also be important to our ability to meet our Kyoto target.

Ireland also supports the preparation of dedicated Thematic Strategies in specific areas, on the basis that they will be determined taking account of information on the state of and pressures on the environment, sound scientific and cost benefit analysis and consultation with all appropriate parties.

Transport

The Commission has proposed action to shift transport use, with the share of road transport by 2010 being no greater than in 1998.

Key measures include:

- a framework for transport charges for different modes of transport to reflect their cost to society;
- prioritising investments in public transport and railways, inland waterways and short sea shipping and reducing the share of finance going to road transport, and

- measures to include developing open markets at EU level for railway and air traffic.

Ireland broadly supports the Commission's objectives in the Transport field. However transport (particularly land and sea transport) is one of the areas in which our peripheral and island location means that there are significant practical differences between our experiences and perspectives and those of other member States and to an extent, the Commission and the Parliament. For example, Ireland's dependence on road haulage to access our markets in the rest of the EU could render us disproportionately vulnerable to charging policies designed to discourage the use of this mode. Similarly, our ability to participate directly in a single market in rail traffic is limited by our physical isolation from the railway networks of the rest of the EU. Accordingly, at the negotiations we will wish to ensure that our particular circumstances are taken into account in the design and implementation of EU transport policy. Ireland will continue to support investment in and development of public transport, including railways, and several major programmes and projects in these areas will be rolled out over the next decade. However, our infrastructure deficit in the road sector is such that further significant roads investment will be necessary for some time to come.

In air transport, Ireland has been and will remain supportive of Commission proposals such as the development of the Single European Sky (a unified Air Traffic Management System) and the development of a European Global Satellite Navigation System (the GALILEO project) which will have far reaching and multisectoral benefits

and impacts. We also strongly support the development of an EU-wide Aviation Safety Agency.

Energy

The goals of Irish energy policy are:

- the development of competitive, efficient markets, which provide a choice of energy services and support economic growth throughout Ireland;
- the protection of security of energy supply, and
- ensuring that energy supply and use are environmentally sustainable.

The EU Commission's objective is to secure full liberalisation of gas and electricity supply by 2005 and discussions with member States have begun on draft proposals to achieve this. Currently 40% of the electricity market and 75% of the gas market are open to competition, with Ireland committed to full liberalisation within the EU target date. In addition further market opening will be put in place before that date. The Barcelona European Council agreed to freedom of choice of supplier for all non-household consumers as of 2004 for electricity and gas.

Ireland will:

- advance its interests in the negotiation of EU measures to develop gas and electricity liberalisation;
- establish effective independent regulation of the natural gas market and implement further liberalisation;

- develop and implement further liberalisation of the electricity industry;
- work to improve energy efficiency within the Irish economy and substantially increase renewable energy generating capacity as part of the energy sector's contribution to meeting our Kyoto commitments, and
- advance its concerns to ensure that European energy policy takes full account of the health and environmental impacts of nuclear energy.

Ireland does not regard nuclear energy as sustainable because of the concerns which nuclear technology continues to present in terms of safety and accident risk, the problems attached to the transport of nuclear materials, the unresolved problems surrounding the management of radioactive waste, the needless reprocessing of spent nuclear fuel and the economic issues of long run and stranded cost.

Consumer Policy

Consumer policy has been given increased priority in the EU. Two important policy objectives are to promote a more powerful voice for consumers throughout the EU and to assure full respect for the economic interests of consumers in the EU. The removal of barriers to cross-border demand is essential for the consumer dimension of the Single Market to develop in parallel with the business dimension. While acknowledging that legislation will continue to have a role to play in protecting consumers' economic interest, Ireland agrees that there is a need for a fundamental reassessment of the

approach taken to consumer protection within the EU to date. We welcome the analysis of the present position and the options for change presented in the Commission's Green Paper on EU Consumer Protection. In particular we are interested in exploring the potential for self-regulation and the extent to which consumer/business dialogue could lead to agreed solutions that would complement legislation, add value or even reduce the need for legislation.

Effective enforcement of legislation protects consumer interests and **we support measures to improve cooperation between the enforcement authorities of the member States.** We believe that the emphasis for this cooperation should initially be on an informal, non-legislative basis.

To enable consumers to effectively exercise their rights they require access to simple, inexpensive, speedy and efficient justice procedures.

In building consumer confidence Ireland supports:

- **the creation of alternative dispute resolution (ADR) procedures. Such procedures should lead to improved consumer confidence;**
- **the effective integration of a consumer dimension into all relevant EU policies on a more systematic basis, and**
- **the establishment of the "Inter-services Group on Consumer Policy" to coordinate, help identify priority areas for integration and facilitate a more proactive approach.**

Food Safety and Animal Welfare

Consumers across the EU and in international markets are ever more demanding in relation to food safety and animal welfare. This has been reflected in the adoption by the Council of Agriculture Ministers of the Regulation setting up the European Food Safety Authority (EFSA) and in the progress being made in developing a new framework for EU food law. The Regulation as adopted in January, 2002, sets out the guiding principles of EU food legislation, to be enacted over the next few years. A central principle is the responsibility of primary producers and processors to ensure that only food which is safe is placed on the market.

Consumers within the EU are also understandably concerned about issues such as the impact on the environment and human health of various chemicals and animal medicinal treatments. The establishment of EFSA will provide the EU with a potent, centralised capability to augment, where necessary, existing measures to protect consumers.

Animal welfare has also received increasing attention at EU level in recent years. Significant progress, in which Ireland has played a full role, has been made in relation to production systems involving poultry and pigs. The increasing emphasis on ensuring the welfare of animals during transport is entirely reasonable given the freedom of animal movement, albeit with certain safeguards, permitted under intra-Community trade arrangements. **Given its export-orientation, Ireland has an obvious strategic interest in ensuring that welfare considerations are fully respected by all concerned in the course of animal transport. Ireland has an equally valid**

interest in ensuring that expedient measures, such as effective restrictions on trade, are not adopted as an alternative to the further development of a balanced and comprehensive EU-wide animal welfare regime which is carefully formulated and fully implemented. In this regard, Ireland will have difficulty with any proposals to unduly restrict animal journeys (in terms of number and duration), as such proposals would impact severely and disproportionately on the export of live animals to other EU member States and to Third Countries.

Imported infected material is considered to have caused the outbreaks of Classical Swine Fever and Foot and Mouth Disease in the EU in recent years. Given the potential of such diseases to cause enormous social and economic damage, the importance of effective controls at the borders of the EU cannot be over-stated. It is vital that such controls are rigorous and consistent so as to ensure that goods imported into the EU do not compromise its veterinary and phytosanitary status. Given the social and economic importance of agriculture to this country, **Ireland has a very pronounced interest in this issue.**



The External Policies of the European Union

The European Union's external relations agenda continues to grow in size and complexity. The following paragraphs set out the issues and the challenges and Ireland's key objectives.

Institutional Issues

Since the end of the Cold War and, in particular the outbreak of war in the Balkans in the early 1990s, the European Union has sought to play a more coherent and more effective role in international affairs. The EU member States have sought through the Common Foreign and Security Policy (CFSP) provisions of the Maastricht and Amsterdam Treaties, to provide the Union with the necessary foreign and security policy instruments and procedures to respond to the expectations of its own citizens and of the wider international community.

The appointment of a Secretary-General/High Representative for the CFSP, Javier Solana, supported by the Policy Unit, and the establishment of a Political and Security Committee in Brussels as a permanent committee of senior officials from member States, are the latest significant developments in the ongoing effort to enable the EU to react quickly and effectively to foreign and security policy challenges. The assessment so far is that these institutional innovations are leading to more timely and effective conduct of the EU's foreign and security policy agenda. Ireland has been active to ensure that consultation of smaller member States is consistent with common ownership of the Union's policies.

Current Challenges of CFSP

Following the attacks on the US on 11 September, 2001, international cooperation against terrorism and the future of Afghanistan will remain priority issues for the EU for the foreseeable future. In addition, the principal ongoing themes of the EU's foreign and security policy will be international peace and stability, most importantly in neighbouring zones of instability such as the Western Balkans and the Middle East. Relations with Russia, and concerns with instability and conflict to the East, within Russia and in the former Soviet Union, will become of more pressing concern as the EU enlarges and its border moves eastward.

A key relationship for the EU will continue to be with the United States. In particular, issues which involve both the EU and NATO competences (e.g. crisis management and the Western Balkans) will require careful handling. Most of the major international issues, now and for the foreseeable future, will be addressed or fail to be addressed as a result of the degree to which the US and the EU and its member States are willing and able to work together.

Conflict Prevention

Conflict prevention has been identified as being at the heart of the Union's common foreign and security policy. The EU Programme for the Prevention of Violent Conflicts adopted at Gothenburg accords the highest political priority to improving the coherence and effectiveness of the Union's external action in the field of conflict prevention. The Programme highlights the intention of European Security and Defence Policy

(ESDP), since its inception, to strengthen the EU's capacity for conflict prevention. A first report on implementation of the Programme is to be submitted by the Spanish Presidency to the European Council at Seville in June 2002.

European Security and Defence Policy (ESDP)

Ireland's commitment to collective security has traditionally been pursued through the UN which has the primary role to play in the maintenance of international peace and security. The UN is increasingly looking to regional organisations to undertake peace support operations on its behalf. The depth and intensity of the EU's relations with the UN can be expected to grow as ESDP develops. It is intended that the capabilities being developed by the EU could contribute substantively to the strengthening of the UN's ability to undertake crisis management operations.

Based on the provisions of the Amsterdam Treaty, the development of the European Security and Defence Policy is focused on a range of humanitarian, peacekeeping and crisis management tasks, known as the "Petersberg" tasks. The Conclusions of recent European Council meetings have provided the necessary political direction to enable the EU to develop an operational capacity, incorporating both military and civilian dimensions, for the conduct of Petersberg tasks. Ireland has a lot of relevant experience to contribute to the carrying out of these tasks.

An important distinction needs to be drawn between, on the one hand, Ireland's participation, as an EU member, in the process of developing the ESDP at EU-level, and on the other, participation

in a particular operation. **Any decision to participate in an EU-led operation will be a sovereign decision on a case by case basis which, in accordance with our Constitutional and legislative arrangements, requires a specific Government decision and the approval of Dáil Eireann.** In accordance with the Defence Acts, Ireland's Defence Forces will only participate in UN authorised peace support operations.

While there has been significant progress made in implementing European Council Conclusions, some uncertainties remain. The EU, which is *not* a military organisation, is likely to rely upon NATO infrastructural and transport capacity to carry out Petersberg tasks (e.g. heavy airlifts). NATO has itself led a number of peacekeeping operations, under UN authorisation, including SFOR in Bosnia-Herzegovina and KFOR in Kosovo. Ireland has participated in both of these operations.

The emergence of a particular crisis situation which created the circumstances for a possible Petersberg task would be a key test for the ESDP.

EU Headline Goal and Civilian Crisis Management

In the military capabilities area, the EU Headline Goal (informally known as the "Rapid Reaction Force"), provides that the EU should have available, by the year 2003, "50,000 – 60,000 persons" to undertake the full range of Petersberg tasks.

At the Laeken European Council the EU achieved its objective of becoming operational in the crisis management area and declared itself capable of conducting small to medium scale crisis management tasks.

The EU Capabilities Improvement Conference in November 2001 addressed the issue of shortfalls in existing commitments towards the EU Headline Goal. At the Capabilities Commitment Conference in November 2000, Ireland committed up to 850 members of the Defence Forces, from within the current United Nations Standby Arrangements System (UNSAS) commitment, to the EU Headline Goal.

It is important to stress that the development of an EU peacekeeping capacity is taking place at a time when military spending and the level of militarisation has been substantially reduced since the end of the Cold War. **There have never been any proposals for EU-wide conscription. Conscription is being phased out in almost all of the few remaining countries that still preserve it.**

EU Civilian Crisis Management

In the civilian crisis management area, the target is that EU members should, cooperating voluntarily, by 2003, be able to provide up to 5,000 police officers for international conflict prevention and crisis management missions. Concrete targets are being set for strengthening the “Rule of Law” (courts, prison service etc.), civilian administration and civil protection. A Police Commitment Conference at Ministerial-level took place in November 2001. In advance of this Conference, the Government decided to increase the numbers of Garda Síochána available for international police missions abroad from 60 to 80.

Key Strategic Issues and Challenges

Ireland, as a small State with an open economy, needs a peaceful international order governed by the rule of law. Our national foreign and security policy objectives are pursued in the formulation and conduct of the CFSP. **It is in our interest that we remain fully actively involved as EU members in the formulation within CFSP of policies on regional and global issues.** We want the EU to contribute to international peace and security through:

- its support for and cooperation with the UN, the OSCE and the Council of Europe, and its network of structured cooperation processes with the main regional groupings (e.g. ASEM, Euromed, EU-Africa, EU-LAC etc);
- the development of conflict resolution strategies (e.g. in the Middle East, Western Balkans, Central Africa) which include the protection of human rights;
- its ongoing relations with neighbouring States and regions, using the full range of Union policies and instruments;
- further development of the CFSP in global issues such as human rights, development, humanitarian issues and disarmament, and
- ensuring that the ESDP is fully situated within the broader context of the UN Charter and the primary role of the UN Security Council.

Key Objectives in ESDP

In the development of the ESDP, Ireland will pursue the following particular goals:

- continue to contribute **towards maximising the role of conflict prevention** at the heart of the European Union;
- contribute to **building more effective partnerships with non-EU member States** and international organisations in the conflict prevention area, especially the UN;
- bring as **broad a perspective as possible to EU initiatives** in the security sphere, enhancing the cooperation between international organisations in the security area;
- facilitate **Ireland's participation in European Security and Defence Policy consistent with Ireland's policy of military neutrality** and in keeping with our traditional foreign policy values; also, safeguard our ability as a small state to influence policy formulation in the ESDP to reflect Ireland's interests and concerns;
- promote **the development of the EU's capabilities in the civilian crisis management area**, including the harnessing of civil and military responses to achieve the goals of restoring stability and facilitating reconstruction;
- **keep public opinion informed of developments** in European security and defence and on the rationale for Ireland's involvement;
- **review on an ongoing basis Ireland's commitment to the Headline Goal**, having regard to developments toward the objective of achieving this Goal by 2003. Our participation,

with the other EU neutrals, in the Pfp Planning and Review Process (PARP) will support planning in relation to the Headline Goal;

- In **elaborating arrangements for EU-NATO cooperation, adhere to the principles agreed at European Council level, including the definition of the different nature of the two organisations**, respect for the decision-making autonomy of the EU and non-discrimination against any country, and
- continue to **welcome the involvement of Third Countries in the light of Ireland's support for the EU enlargement process**, as well as Ireland's open and inclusive approach to the development of ESDP.

Other External Relations Issues

At the same time that the EU is concerned to ensure that effective action is taken against terrorism and that conflict is prevented or crises managed in areas such as Central Asia, the Middle East, the Western Balkans and the Great Lakes, the EU is also involved in the many other complex issues on the external relations agenda. For example, **the EU promotes non-proliferation and disarmament. It fights crime, protects the environment and works to eliminate poverty.** The member States work together in the EU and with the Commission, both in international organisations and with individual countries, or groups of countries, to promote our common objectives.

Clearly relations with the United States, relations with the EU's future neighbours, in particular, the Western Balkans, Russia and other states of the

former Soviet Union and relations with the countries of the Middle East will remain the major priorities of the EU.

An example of the complexity and depth of the EU's relations are those in the Western Balkans. In addition to the military and security dimension, the EU is developing links with the countries of the region in the context of the Stabilisation and Association process, expanding trade access, providing reconstruction and humanitarian assistance, financial support, support for institution building and conducting dialogue in relation to third pillar issues such as migration.

Another example is the relationship with **Russia, a key strategic partner**. This relationship encompasses trade and economic relations, a broad-ranging political dialogue, cooperation on justice and home affairs and security and defence cooperation. **The EU has a great stake in political stability and in Russia's developing into a prosperous, functioning and open market economy where the rule of law prevails and where trade and investment can develop on similar terms as in Europe.** The EU will accordingly be working to promote EU-Russia integration, including through the development of a common economic space and building momentum for Russia's negotiations for accession to the WTO. The development of relations with the Ukraine, Belarus and Moldova which will border the EU on enlargement can be expected to become more important following the accession of the countries of central and Eastern Europe. The countries of central Asia have become an important focus of international attention because of the situation in Afghanistan. When that situation is resolved it is likely that greater attention will be paid to these

countries to encourage peace and security in the region where there are major oil interests at stake.

The pursuit of peace in the Middle East continues to be a priority issue on the EU agenda and progress there will have an impact on the development of the EU's relations with countries in the region, including with the Gulf Cooperation Council. The Euro-Mediterranean partnership is receiving increased attention. Euro-Med Association Agreements have been initialled with Algeria and Lebanon and these are expected to be signed at the Euro-Med Foreign Minister meeting to be held on 22-23 April 2002. Negotiations on an agreement with Syria are continuing. Other issues on the agenda include the political and security partnership, cooperation on justice and related matters and developing cooperation between societies and cultures in the region.

Work is ongoing on an **enhanced partnership with Asia** arising from an enhanced EU-Asia strategy (covering the countries of south, south-east and north-east Asia). This envisages a strengthening of dialogue in relation to terrorism, justice and home affairs, migration, conflict prevention, international economic and trade matters and sustainable development. In addition to an enhanced relationship with the key countries of the region such as Japan, China and India, the EU will also emphasise improved participation in regional arrangements such as the Asia Europe Meeting (ASEM) and strengthening relations with the Association of South East Asian Nations (ASEAN). The next ASEM summit will take place in Copenhagen in September 2002 with a follow-up meeting in Asia in 2004.

The next **EU-Latin America summit at HOSG level will take place in Madrid on 17-18 May 2002**. The summit to follow will be in 2004 in South America, possibly during the Irish Presidency. EU negotiations with Chile on an Association Agreement are progressing, while negotiations with Mercosur (Argentina, Brazil, Uruguay and Paraguay) remain at a preliminary stage. Negotiations on cooperation between the EU and the Andean Group continue with a number of these countries benefiting from special EU General System of Preferences (GSP) concessions to assist in the fight against drug production. All of these areas are likely to be active in 2004 during Ireland's Presidency of the EU.

Overseas Development Assistance

In striving to attain the UN target of 0.7% of GNP to ODA, Ireland is conscious of the fact that of the five countries that have reached or exceeded this target, four are in the EU. The European Union and its member States remain, by far, the largest donor of development and humanitarian aid. Ireland, together with our partners in the EU, is working in the multilateral system to ensure that EU development assistance becomes more focussed on the poorest and on the least developed countries and that the interests of these countries are taken into account in multilateral trade and other international agreements.

An example of the sort of work Ireland is involved in through its membership of the EU is the Cotonou Agreement. In 2000 the European Union entered into a partnership agreement with more than seventy countries in the Africa, Caribbean and Pacific (ACP) regions. The Cotonou

Agreement builds on 25 years of ACP-EU cooperation under four successive Lomé Conventions. This provided a model of development cooperation based on the principles of partnership, dialogue, contractually agreed rights and obligations and predictability of financial support. The central objective of the Partnership Agreement is to reduce and eventually to eradicate poverty while contributing to sustainable development and to the gradual integration of ACP countries into the world economy. This agreement provides significant incentives for trade and development for the developing countries involved and focuses also on issues to do with good governance. Another example is the "everything but arms" agreement of last year which provides for duty free access for essentially all products to the EU, except arms from least developed countries.